



# SHENANDOAH VALLEY NATIONAL BANK

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October 8, 2005

John F. Carter, Director  
FDIC San Francisco Regional Office  
25 Jessie Street, Ecker Square, Suite 2300  
San Francisco, CA 94105

Dear Mr. Carter:

Our bank was opened in May 1999. In June 2000, we had the opportunity to acquire an existing banking office in the Wal-Mart store in Winchester, Virginia. We successfully negotiated in our lease a right of first refusal for any additional Wal-Mart stores in the Winchester market. We also negotiated exclusivity as far as banking offices in the existing Wal-Mart store. About nine months ago, Wal-Mart contacted us indicating they were going to build a new store in our market. We began negotiating the lease but Wal-Mart would not give us exclusive rights to be the only banking office in the new store. Because of there attempts to own their own bank and possibly open a banking office in this new store, we refused to sign the lease.

Information I have read indicates Wal-Mart is seeking to have the CRA requirements waived if there application for an industrial loan company (ILC) is approved. In addition, information I have read reveals Wal-Mart does not plan to expand this ILC or offer all banking products for three years. After three years, they would have no restrictions as far as offering a full array of banking products in 21 states and the District of Columbia.

As the representative of a small community bank, I strongly oppose the approval of a Wal-Mart - ILC. In addition I am requesting the FDIC oppose their being exempt from CRA requirements and being insured under the FDIC.

Thank you for your consideration of my position.

Sincerely,

Ronald F. Miller  
Chairman, President & CEO